

## Chapter HRSC 1

## GENERAL PROVISIONS

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**HRSC 1.01 Definitions.** In chs. HRSC 1 to 5 and to interpret provisions of ch. 54, Stats:

(1) "Accounts receivable" means claims arising from rendering patient care services.

(1m) "Ancillary services" means a hospital's clinical, diagnostic and treatment services, not room and board or nursing services.

(2) "Bad debts" means claims arising from rendering patient care services that the hospital, using a sound credit and collection policy, determines are uncollectible. "Bad debts" does not include charity care.

(2m) "Budget year" means the fiscal year of a hospital for which rates are being set during a rate review.

(3) "Case mix" means a measure of the types of patients treated in a hospital during a specified period.

(3m) "Charge element" means any service, supply or combination of services or supplies that a hospital provides for a price.

(4) "Charity care" means reductions in the hospital's charges for patient care services due to indigence of the patient. "Charity care" does not include bad debts or allowances related to medical assistance, medicare or general relief payments.

(5) "Commission" means the Wisconsin hospital rate-setting commission.

(5m) "Financial requirement" has the meaning specified in s. 54.09, Stats.

(6) "Fixed cost" means a hospital's expenses that do not generally vary in relation to the hospital's volume.

(7) "General relief" means hospital care for which a municipality or county is liable under s. 49.02 or 49.03, Stats., or hospital care for which the state is liable under s. 49.035, 49.04 or 49.046, Stats.

(8) "Hospital" has the meaning provided in s. 50.33 (1), Stats.

(9) "Intensity" means the standard of care established by the clinical health professions for a given case mix and volume, measured as the number and kind of ancillary services provided and the level of nursing services provided.

(9g) "Rates" has the meaning specified in s. 54.01 (3), Stats.

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(9r) "Rate increase" means either:

(a) An increase in the price a hospital charges for any individual charge element.

(b) The aggregate price increase necessary to generate sufficient revenue to meet a hospital's full reasonable financial requirements at hospital projected volume levels accepted by the commission when the rate order is issued and when charge element information is provided under s. HRSC 3.02 (2) (am).

(10) "Variable cost" means a hospital's expenses that generally vary in relation to the hospital's volume.

(11) "Volume" includes the following:

(a) The number of inpatient and outpatient admissions at a hospital during a specified period. The commission shall adjust the calculation of outpatient admission volume in recognition of the different level of services provided to outpatients, as compared to inpatients, to create a method of calculating total admissions.

(b) The number of inpatient and outpatient days at a hospital during a specified period. The commission shall adjust the calculation of outpatient days in recognition of the different level of services provided to outpatients, as compared to inpatients, to create a method of calculating total days.

(c) The number of procedures of any particular type performed by a hospital during a specified period.

(d) The number of times any charge element is billed.

History: Cr. Register, December, 1984, No. 348, eff. 2-1-85; am. (1) (intro.), Register, October, 1985, No. 358, eff. 11-1-85; am. (3) (m), cr. (5m), (9) (g) and (r), Register, May, 1986, No. 365, eff. 6-1-86.

**HRSC 1.03 Naming agents.** The commission may designate its agents and grant them authority to examine confidential materials, conduct investigations or hearings and perform other functions authorized by the commission. The commission shall issue to each agent an identification card.

History: Cr. Register, December, 1984, No. 348, eff. 2-1-85.

**HRSC 1.05 Supervisor of hearings.** The chairperson of the commission may assign to each agent the supervision of a particular investigation or, if the assignment is indicated on the commission's calendar, the conduct of a hearing.

History: Cr. Register, December, 1984, No. 348, eff. 2-1-85.

**HRSC 1.09 Communications and documents addressed to the commission.** (1) **ADDRESS.** All written communications concerning the commission's activities shall be addressed to the commission.

Note: The present address of the commission is as follows:  
 Wisconsin Hospital Rate-Setting Commission  
 Room 215  
 110 E. Main St.  
 Madison, WI 53702

Register, May, 1986, No. 365

(2) **DOCUMENT FORMAT.** Documents shall be printed on 8 and 1/2 by 11 inch paper unless the commission otherwise provides. The first page of each communication or document addressed to the commission shall contain a distinctive title identifying the action requested and, if one exists, a docket number. All written information submitted on behalf of a hospital to the commission shall be signed by the hospital's chief executive officer or a designated agent.

History: Cr. Register, December, 1984, No. 348, eff. 2-1-85.

**HRSC 1.11 Service of documents. (1) METHOD.** Service of documents on the commission or other parties in commission proceedings shall be by 1st class or registered mail or by delivery in person.

(2) **DATE OF SERVICE.** (a) The date of serving a document on the commission is the day the commission receives the document. If the document triggers an action by the commission that must be completed within a certain time period, the date the commission receives the document commences the time period.

(b) 1. Except as provided in subd. 2, if a document served on a hospital or other party in commission proceedings triggers an action by the recipient that must be completed within a certain time period, the date the hospital or other party receives the document commences the time period. The hospital or other party has the burden of proving when it received the document. An affidavit or date stamp constitutes prima facie evidence of the date of receipt.

2. If a hospital or other party intends to petition for a rehearing of a commission decision under s. 227.12 (1), Stats., the date the decision is personally served or mailed commences the 20-day time period for filing the petition. If a hospital or other party intends to petition for judicial review of a commission decision under s. 227.16 (1), Stats., the day after the date the decision is personally served or mailed commences the 30-day time period for filing the petition.

History: Cr. Register, December, 1984, No. 348, eff. 2-1-85; am. and cr. (2) (b), Register, May, 1986, No. 365, eff. 6-1-86.

**HRSC 1.13 Assessing commission expenses.** Regardless of whether it actually submits a rate request for that year each hospital shall, within 30 days after the end of its fiscal year, certify to the commission its gross annual patient revenue during the hospital's preceding fiscal year. Commencing July 1, 1985, the commission shall use these data to apportion its assessment of expenses among the hospitals. The commission will make its first annual inflationary adjustment to the \$1,500,000 cap on the cost of its operations on July 1, 1984.

History: Cr. Register, December, 1984, No. 348, eff. 2-1-85.

**HRSC 1.15 Hospital gross annual patient revenue.** For the purpose of administering ss. 54.13 (1) (b) and 54.21 (2) (a), Stats., and ss. HRSC 1.13 and 3.07 (2) the commission shall, to the extent practicable, calculate the gross annual patient revenue of a hospital that is jointly operated in connection with a nursing home by excluding the revenue generated by the nursing home. To the extent practicable the commission shall use the method specified in s. HRSC 3.017 (1) to complete this calculation.

Note: Section 54.13 (1) (b), Stats., authorizes the commission to disallow a percentage of excess revenue generated by any hospital. Section 54.21 (2) (a), Stats., grants expedited re-

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view to hospitals that request only marginal rate increases. Section HRSC 1.13 implements the commission's method of apportioning its assessment of expenses among hospitals. Section HRSC 3.07 (2) grants a plant depreciation incentive to hospitals. This rule attempts to separate the revenue generated by a hospital from that generated by a jointly-operated nursing home when the commission determines the applicability of these sections. Similarly, s. HRSC 3.017 (1) attempts to separate financial requirements generated by a hospital from those generated by a jointly-operated nursing home.

History: Cr. Register, December, 1984, No. 348, eff. 2-1-85.

**HRSC 1.17 Role of competition.** Consistent with s. 54.01, Stats., one of the commission's regulatory strategies shall be to allow the development of competitive forces in the health care industry. The commission shall, in adopting orders, provide reasonable flexibility for hospitals to compete in the marketplace.

History: Cr. Register, December, 1984, No. 348, eff. 2-1-85.